



WEST GATE BANK.®

Our interest is you

Helping you serve your communities

I. WHAT'S THE ISSUE?

Good jobs are going unfilled!

**Workforce housing is required infrastructure
to attract NExt Generation
workers and families.**

The Paradigm has Shifted!

- Presuming new business will attract qualified labor no longer valid
- Great need for new housing, especially in rural states
- Need to transition economic development strategy



Do We Really Have a Housing Shortage?

- **Age of housing** in outstate Nebraska is falling behind required reinvestment. Source: Department of Economic Development
- **Supply of houses** for sale- all time lows - driving up prices and decreasing affordability. Source: State Board of Realtors
- **Cost to build** at affordable price points (\$150k to \$300k) exceeds market value in many outstate communities. Source: NBA Survey
 - Lack of contractors and subs
 - Lack of ability to build in scale due to absorption risk
 - Appraisals and comps lag
 - Cost of lot development and building materials

Workforce outgrowing housing

- Large number of employment opportunities in rural counties
- Great need for new housing, especially in rural states
- Direct & indirect economic loss resulting from each unfulfilled job

Aging Housing Infrastructure

- Lack of new development
- Substandard housing stock
- Long-term economic ramifications

WHAT DOES A WORKFORCE FAMILY LOOK LIKE?

INCOME PARAMETERS:

- **Above** Current Low to Moderate Income Program Limits established by Federal government.
 - Nebraska median family income = \$55k. Low=50%, Moderate= 80%
- **Workforce Target Family Incomes**
 - **\$40,000 to \$100,000** Per Year (**\$20 to \$50 combined** per hour)

Affordable Housing Options

- Supplemented State and Federal programs not enough
 - DED - more than \$20 Million
 - NIFA - approx. \$250 Million
 - Less than 40% reaching rural areas of Nebraska
- State must more aggressively foster housing growth

LOCAL LENDER INVOLVEMENT!

- Provide a range of lending options.
- Provide short-term improvement loans.
- Provide financing for development of
- moderate income housing units.



West Gate Bank Committed to Rural Lending in Nebraska

- WGB partners with banks across the state through broker and correspondent programs
- Conventional, FHA, VA, USDA, and NIFA
- First Home Plus, Homebuyer Assistance, FHLB Grants



Community Bank Mortgage Solution Options

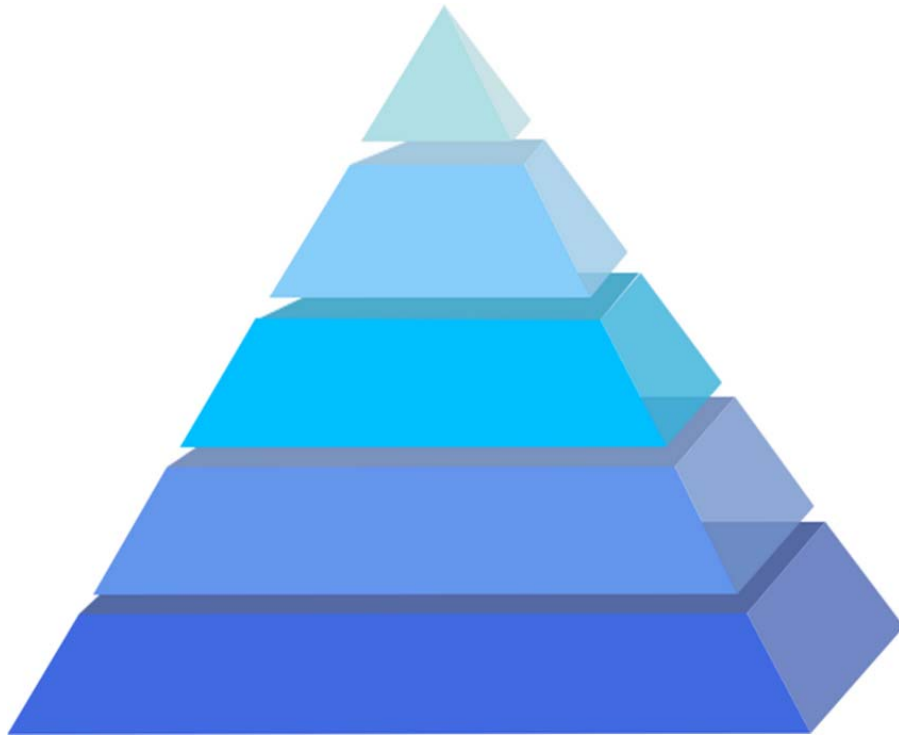
- **Broker / Full Service**
- Staff a loan originator
- Remain customer point of contact
- No compliance risk-completed by Lender
- No credit risk - underwritten by Lender
- Limited closing / documentation risk - Closed in Lender name



WORKFORCE HOUSING PRIORITIES

- **Priority #1**- Target Owner Occupied Housing Prices to Match Target Incomes.....Price point = \$150,000 and up
- **Priority #2**- Rent to own, Duplex, and Multi Family Housing dependent on community specifics
- Include Amenities Demanded by NExt Generation to attract target audience.

Five Attributes of a Healthy Community



- #5- Collaborative & Competent Public/Private Leadership
- #4- Shared Community Agenda
- #3- Social, Recreational and Spiritual Opportunities
- #2-Infrastructure= Roads, Utilities, Healthcare, Government Services, Housing, Schools, Social Services
- #1- Industry & Business= Jobs & Careers for Citizens

Examples of Success

- Central Nebraska Housing and Economic Developers in partnership with Stuart Development Corp.
- Collaborative local leadership is the common thread in every community that successfully addressed workforce housing issues
- City of Hastings - public and private funding resources for housing rehabilitation



2018 - Challenges and Trends

- Millennial generation
- Educate youth and expand special focus to include first-generation Nebraskans
- Growing communities should develop family-friendly housing options
- Housing savings accounts
- Forgivable student loan programs

